

110TH CONGRESS
1ST SESSION

H. R. 3127

To amend title XIX of the Social Security Act to assist low-income Medicare beneficiaries by improving eligibility and services under the Medicare Savings Program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 23, 2007

Mr. BECERRA (for himself and Mr. GENE GREEN of Texas) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend title XIX of the Social Security Act to assist low-income Medicare beneficiaries by improving eligibility and services under the Medicare Savings Program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Medicare Savings Program Improvement Act of 2007”.

1 (b) TABLE OF CONTENTS.—The table of contents of
 2 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. References to Medicare Savings Program.
- Sec. 3. Increase in income levels for eligibility.
- Sec. 4. Elimination of application of estate recovery for Medicare Savings Program beneficiaries.
- Sec. 5. Modification of asset test.
- Sec. 6. Eligibility for other programs.
- Sec. 7. Effective date of MSP benefits.
- Sec. 8. Expediting eligibility under the Medicare Savings Program.
- Sec. 9. Treatment of qualified medicare beneficiaries, specified low-income medicare beneficiaries, and other dual eligibles as Medicare beneficiaries.
- Sec. 10. Medicaid treatment of certain medicare providers.
- Sec. 11. Monitoring and enforcement of limitation on beneficiary liability.
- Sec. 12. State provision of medical assistance to dual eligibles in MA plans.

3 **SEC. 2. REFERENCES TO MEDICARE SAVINGS PROGRAM.**

4 The low-income assistance programs for Medicare
 5 beneficiaries under the Medicaid program under title XIX
 6 of the Social Security Act now popularly referred to the
 7 “QMB” and “SLMB” programs are to be known as the
 8 “Medicare Savings Program”.

9 **SEC. 3. INCREASE IN INCOME LEVELS FOR ELIGIBILITY.**

10 (a) INCREASE TO 135 PERCENT OF FPL FOR QUALI-
 11 FIED MEDICARE BENEFICIARIES.—

12 (1) IN GENERAL.—Section 1905(p)(2) of the
 13 Social Security Act (42 U.S.C. 1396d(p)(2)) is
 14 amended—

15 (A) in subparagraph (A), by striking “100
 16 percent” and inserting “135 percent”;

17 (B) in subparagraph (B)—

1 (i) by striking “and” at the end of
 2 clause (ii);

3 (ii) by striking the period at the end
 4 of clause (iii) and inserting “, and”; and

5 (iii) by adding at the end the fol-
 6 lowing:

7 “(iv) January 1, 2008, is 135 percent.”; and
 8 (C) in subparagraph (C)—

9 (i) by striking “and” at the end of
 10 clause (iii);

11 (ii) by striking the period at the end
 12 of clause (iv) and inserting “, and”; and

13 (iii) by adding at the end the fol-
 14 lowing:

15 “(v) January 1, 2008, is 135 percent.”.

16 (2) APPLICATION OF INCOME TEST BASED ON
 17 FAMILY SIZE.—Section 1905(p)(2)(A) of such Act
 18 (42 U.S.C. 1396d(p)(2)(A)) is amended by adding
 19 at the end the following: “For purposes of this sub-
 20 paragraph, family size means the applicant, the
 21 spouse (if any) of the applicant if living in the same
 22 household as the applicant, and the number of indi-
 23 viduals who are related to the applicant (or appli-
 24 cants), who are living in the same household as the
 25 applicant (or applicants), and who are dependent on

1 the applicant (or the applicant’s spouse) for at least
 2 one-half of their financial support.”.

3 (3) NOT COUNTING IN-KIND SUPPORT AND
 4 MAINTENANCE AS INCOME.—Section 1905(p)(2)(D)
 5 of such Act (42 U.S.C. 1396d(p)(2)(D)) is amended
 6 by adding at the end the following new clause:

7 “(iii) In determining income under this subsection,
 8 support and maintenance furnished in kind shall not be
 9 counted as income.”.

10 (b) EXPANSION OF SPECIFIED LOW-INCOME MEDI-
 11 CARE BENEFICIARY (SLMB) PROGRAM.—

12 (1) ELIGIBILITY OF INDIVIDUALS WITH IN-
 13 COMES BELOW 150 PERCENT OF FPL.—Section
 14 1902(a)(10)(E) of the Social Security Act (42
 15 U.S.C. 1396b(a)(10)(E)) is amended—

16 (A) by adding “and” at the end of clause
 17 (ii);

18 (B) in clause (iii)—

19 (i) by striking “and 120 percent in
 20 1995 and years thereafter” and inserting
 21 “, or 120 percent in 1995 and any suc-
 22 ceeding year before 2008, or 150 percent
 23 beginning in 2008”; and

24 (ii) by striking “and” at the end; and

25 (C) by striking clause (iv).

1 (2) PROVIDING 100 PERCENT FEDERAL FINANC-
2 ING.—The third sentence of section 1905(b) of such
3 Act (42 U.S.C. 1396d(b)) is amended by inserting
4 before the period at the end the following: “and with
5 respect to medical assistance for medicare cost-shar-
6 ing provided under section 1902(a)(10)(E)(iii)”.

7 (3) REFERENCES.—Section 1905(p)(1) of such
8 Act (42 U.S.C. 1396d(p)(1)) is amended by adding
9 at and below subparagraph (C) the following: “The
10 term ‘specified low-income medicare beneficiary’
11 means an individual described in section
12 1902(a)(10)(E)(iii).”.

13 (c) EFFECTIVE DATE.—

14 (1) Except as provided in paragraph (2), the
15 amendments made by this section shall take effect
16 on January 1, 2008, and, with respect to title XIX
17 of the Social Security Act, shall apply to calendar
18 quarters beginning on or after January 1, 2008.

19 (2) In the case of a State plan for medical as-
20 sistance under title XIX of the Social Security Act
21 which the Secretary of Health and Human Services
22 determines requires State legislation (other than leg-
23 islation appropriating funds) in order for the plan to
24 meet the additional requirements imposed by the
25 amendments made by this section, the State plan

1 shall not be regarded as failing to comply with the
 2 requirements of such title solely on the basis of its
 3 failure to meet these additional requirements before
 4 the first day of the first calendar quarter beginning
 5 after the close of the first regular session of the
 6 State legislature that begins after the date of the en-
 7 actment of this Act. For purposes of the previous
 8 sentence, in the case of a State that has a 2-year
 9 legislative session, each year of such session shall be
 10 deemed to be a separate regular session of the State
 11 legislature.

12 **SEC. 4. ELIMINATION OF APPLICATION OF ESTATE RECOV-**
 13 **ERY FOR MEDICARE SAVINGS PROGRAM**
 14 **BENEFICIARIES.**

15 (a) IN GENERAL.—Section 1917(b)(1)(B)(ii) of the
 16 Social Security Act (42 U.S.C. 1396p(b)(1)(B)(ii)) is
 17 amended by inserting “(but not including medical assist-
 18 ance for medicare cost-sharing or for benefits described
 19 in section 1902(a)(10)(E))” before the period at the end.

20 (b) EFFECTIVE DATE.—The amendment made by
 21 subsection (a) shall apply to actions commencing on or
 22 after January 1, 2008.

23 **SEC. 5. MODIFICATION OF ASSET TEST.**

24 (a) FOR QMBS.—Section 1905(p) of the Social Secu-
 25 rity Act (42 U.S.C. 1396d(p)) is amended—

1 (1) in paragraph (1), by amending subpara-
2 graph (C) to read as follows:

3 “(C) whose resources (as determined under sec-
4 tion 1613 for purposes of the supplemental income
5 security program, except as provided in paragraph
6 (6)(C)) do not exceed the amount described in para-
7 graph (6)(A).”;

8 (2) by redesignating paragraph (6) as para-
9 graph (7); and

10 (3) by inserting after paragraph (5) the fol-
11 lowing:

12 “(6)(A) The resource level specified in this subpara-
13 graph for—

14 “(i) for 2008 is six times the maximum amount
15 of resources that an individual may have and obtain
16 benefits under the supplemental security income pro-
17 gram under title XVI; or

18 “(ii) for a subsequent year is the resource level
19 specified in this subparagraph for the previous year
20 increased by the annual percentage increase in the
21 consumer price index (all items; U.S. city average)
22 as of September of such previous year.

23 Any dollar amount established under clause (ii) that is not
24 a multiple of \$10 shall be rounded to the nearest multiple
25 of \$10.

1 “(C) In determining the resources of an individual
 2 (and their eligible spouse, if any) under section 1613 for
 3 purposes of paragraph (1)(C) (relating to qualified medi-
 4 care beneficiaries) or section 1902(a)(10)(E)(iii) (relating
 5 to individuals popularly known as specified low-income
 6 medicare beneficiaries), the following additional exclusions
 7 shall apply—

8 “(i) No part of the value of any life insurance
 9 policy shall be taken into account.

10 “(ii) No balance in any pension or retirement
 11 plan or account shall be taken into account.”.

12 (b) FOR SLMBs.—

13 (1) PERMITTING GREATER ASSETS.—Section
 14 1902(a)(10)(E)(iii) of such Act (42 U.S.C.
 15 1396b(a)(10)(E)(iii)) is amended by inserting before
 16 the semicolon the following: “or but for the fact that
 17 their resources exceed the resource level specified in
 18 section 1905(p)(6)(A) but does not exceed the re-
 19 source level specified in section 1905(p)(6)(B)”.

20 (2) HIGHER RESOURCE LEVEL SPECIFIED.—
 21 Section 1905(p)(6) of such Act, as inserted by sub-
 22 section (a)(3), is amended by inserting after sub-
 23 paragraph (A) the following new subparagraph:

24 “(B) The resource level specified in this subpara-
 25 graph for—

1 “(i) for 2008, is \$27,500 (or \$55,000 in the
2 case of the combined value of the individual’s assets
3 or resources and the assets or resources of the indi-
4 vidual’s spouse); and

5 “(ii) for a subsequent year is the applicable re-
6 source level specified in this subparagraph for the
7 previous year increased by the annual percentage in-
8 crease in the consumer price index (all items; U.S.
9 city average) as of September of such previous year.
10 Any dollar amount established under clause (ii) that is not
11 a multiple of \$10 shall be rounded to the nearest multiple
12 of \$10.”.

13 (c) EFFECTIVE DATE.—

14 (1) Except as provided in paragraph (2), the
15 amendments made by this section shall apply to cal-
16 endar quarters beginning on or after January 1,
17 2008.

18 (2) In the case of a State plan for medical as-
19 sistance under title XIX of the Social Security Act
20 which the Secretary of Health and Human Services
21 determines requires State legislation (other than leg-
22 islation appropriating funds) in order for the plan to
23 meet the additional requirements imposed by the
24 amendments made by this section, the State plan
25 shall not be regarded as failing to comply with the

1 requirements of such title solely on the basis of its
2 failure to meet these additional requirements before
3 the first day of the first calendar quarter beginning
4 after the close of the first regular session of the
5 State legislature that begins after the date of the en-
6 actment of this Act. For purposes of the previous
7 sentence, in the case of a State that has a 2-year
8 legislative session, each year of such session shall be
9 deemed to be a separate regular session of the State
10 legislature.

11 **SEC. 6. ELIGIBILITY FOR OTHER PROGRAMS.**

12 (a) IN GENERAL.—Section 1905(p) of the Social Se-
13 curity Act (42 U.S.C. 1396d(p)), as amended by section
14 4(a), is amended—

15 (1) by redesignating paragraph (7) as para-
16 graph (8); and

17 (2) by inserting after paragraph (6) the fol-
18 lowing new paragraph:

19 “(7) Medical assistance for some or all medicare cost-
20 sharing under this title shall not be treated as benefits
21 or otherwise taken into account in determining an individ-
22 ual’s eligibility for, or the amount of benefits under, any
23 other Federal program.”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 subsection (a) shall apply to eligibility for benefits on or
3 after January 1, 2008.

4 **SEC. 7. EFFECTIVE DATE OF MSP BENEFITS.**

5 (a) PROVIDING FOR 3 MONTHS RETROACTIVE ELIGI-
6 BILITY.—

7 (1) IN GENERAL.—Section 1905(a) of the So-
8 cial Security Act (42 U.S.C. 1396d(a)) is amended,
9 in the matter preceding paragraph (1), by striking
10 “described in subsection (p)(1), if provided after the
11 month” and inserting “described in subsection
12 (p)(1) or a specified low-income medicare beneficiary
13 described in section 1902(a)(10)(E)(iii), if provided
14 in or after the third month before the month in
15 which the individual expresses an interest in apply-
16 ing to become such a beneficiary, as determined in
17 the manner provided for assistance under section
18 1860D–14”.

19 (2) CONFORMING AMENDMENTS.—(A) The first
20 sentence of section 1902(e)(8) of such Act (42
21 U.S.C. 1396a(e)(8)), as amended by section 4(c)(2),
22 is amended by striking “(8)” and the first sentence.

23 (B) Section 1848(g)(3) of such Act (42 U.S.C.
24 1395w–4(g)(3)) is amended by adding at the end
25 the following new subparagraph:

1 “(C) TREATMENT OF RETROACTIVE ELIGI-
 2 BILITY.—In the case of an individual who is de-
 3 termined to be eligible for medical assistance
 4 described in subparagraph (A) retroactively, the
 5 Secretary shall provide a process whereby
 6 claims which are submitted for services fur-
 7 nished during the period of retroactive eligi-
 8 bility and during a month in which the indi-
 9 vidual otherwise would have been eligible for
 10 such assistance and which were not submitted
 11 in accordance with such subparagraph are re-
 12 submitted and re-processed in accordance with
 13 such subparagraph.”.

14 (b) EFFECTIVE DATE.—The amendments made by
 15 this section shall take effect on January 1, 2008, but shall
 16 not result in eligibility for benefits for medicare cost-shar-
 17 ing for months before January 2008.

18 **SEC. 8. EXPEDITING ELIGIBILITY UNDER THE MEDICARE**
 19 **SAVINGS PROGRAM.**

20 (a) INCREASING ELIGIBILITY THROUGH THE SOCIAL
 21 SECURITY OFFICE.—

22 (1) IN GENERAL.—Title XVIII of the Social Se-
 23 curity Act is amended by inserting after section
 24 1808 the following new section:

1 “EXPEDITED ENROLLMENT UNDER THE MEDICARE
2 SAVINGS PROGRAM THROUGH SOCIAL SECURITY OFFICES

3 “SEC. 1809. (a) IN GENERAL.—The Secretary shall
4 provide, in cooperation with the Commissioner of Social
5 Security, for an expedited process under this section for
6 individuals to apply and qualify for benefits under the
7 Medicare Savings Program. For purposes of this section,
8 the term ‘Medicare Savings Program’ means medical as-
9 sistance for medicare cost-sharing (as defined in section
10 1905(p)(3)) for qualified medicare beneficiaries and speci-
11 fied low-income medicare beneficiaries under title XIX.

12 “(b) PROCESS.—The process shall be consistent with
13 the following:

14 “(1) COORDINATION WITH SOCIAL SECURITY
15 AND MEDICARE ENROLLMENT PROCESS.—The appli-
16 cation shall be part of the process for applying for
17 benefits under title II and this title.

18 “(2) SIMPLIFIED APPLICATION PROCESS.—The
19 application may be made over the Internet, by tele-
20 phone, or by mail, without the need for an interview
21 in person by the applicant or a representative of the
22 applicant.

23 “(3) CONTENTS OF APPLICATION.—The appli-
24 cation shall contain a description (in English, Span-
25 ish and other languages determined appropriate by

1 the Secretary) of the availability of and the require-
2 ments for obtaining benefits under the Medicare
3 Savings Program.

4 “(4) TRAINING.—Employees of the Social Secu-
5 rity office involved shall be trained to assist individ-
6 uals completing such applications.

7 “(5) SELF-CERTIFICATION AND
8 VERIFICATION.—In determining whether an indi-
9 vidual is eligible for benefits under the Medicare
10 Savings Program, the Secretary shall permit individ-
11 uals to qualify on the basis of self certifications of
12 income and resources meeting applicable standards
13 without the need to provide additional documenta-
14 tion. The Secretary shall verify that information pro-
15 vided in the application is correct.

16 “(6) TRANSMITTAL OF APPLICATION.—

17 “(A) ELIGIBLE APPLICANTS.—In the case
18 of an applicant determined by the Social Secu-
19 rity office to be eligible for benefits under the
20 Medicare Savings Program based on income
21 and resources meeting the standards otherwise
22 applicable, the office shall transmit to the appli-
23 cable State Medicaid office the application so
24 that the applicant can be enrolled within 30

1 days based on the information collected by the
2 office.

3 “(B) USE OF ELECTRONIC TRANSFER SYS-
4 TEM.—Not later than two years after the date
5 of implementation of improvements of the elec-
6 tronic data transfer system under section 8(c)
7 of the Medicare Savings Program Improvement
8 Act of 2007, the process under this paragraph
9 shall use the such system for information trans-
10 mittal.

11 “(C) INELIGIBLE APPLICANTS.—In the
12 case of other applicants whose income and re-
13 sources do not meet such standards, the Social
14 Security office shall transmit to the applicable
15 State Medicaid office the application so that the
16 application may be considered under State
17 standards that may be more generous than the
18 standards otherwise generally applicable.

19 The process under this subsection shall be established and
20 implemented one year after the date of the enactment of
21 this section.

22 “(c) DISTRIBUTION OF APPLICATION FORM.—The
23 Secretary shall distribute the application form used under
24 subsection (b) to any organization that requests them, in-
25 cluding entities receiving grants from the Secretary for

1 programs designed to provide services to individuals 65
 2 years of age or older and people with disabilities. The
 3 Commissioner of Social Security shall make such forms
 4 available at local offices of the Social Security Administra-
 5 tion.

6 “(d) STATE RESPONSE AND APPLICATION PROC-
 7 ESS.—

8 “(1) IN GENERAL.—In the case of an applica-
 9 tion transmitted under subsection (b)(6), the State
 10 agency responsible for determinations of eligibility
 11 for benefits under the State’s Medicare Savings Pro-
 12 gram—

13 “(A) shall make a determination on the
 14 application within 30 days of the date of its re-
 15 ceipt; and

16 “(B) shall notify the applicant of the de-
 17 termination within 10 days after it is made.

18 “(2) USE OF SIMPLIFIED APPLICATION PROC-
 19 ESS.—In the case of an application other than an
 20 application transmitted under subsection (b)(6), a
 21 State plan under title XIX shall provide that an ap-
 22 plication for benefits under the Medicare Savings
 23 Program may be made over the Internet, by tele-
 24 phone, or by mail, without the need for an interview

1 in person by the applicant or a representative of the
2 applicant.

3 “(e) EXPEDITED APPLICATION AND ELIGIBILITY
4 PROCESS.—

5 “(1) EXPEDITED PROCESS.—

6 “(A) IN GENERAL.—As part of the expe-
7 dited process for obtaining benefits under the
8 Medicare Savings Program, the Secretary shall
9 through a request to the Secretary of the
10 Treasury to obtain information sufficient to
11 identify whether the individual involved is likely
12 eligible for such benefits based on such infor-
13 mation and the type of assistance under the
14 Medicare Savings Program for which they
15 would qualify based on such information. Such
16 process shall be conducted in cooperation with
17 the Commissioner of Social Security.

18 “(B) OPT IN FOR NEWLY ELIGIBLE INDIV-
19 IDUALS.—Not later than 60 days after the
20 date of the enactment of this subsection, the
21 Secretary shall ensure that, as part of the
22 Medicare enrollment process, enrolling individ-
23 uals—

1 “(i) receive information describing the
2 Medicare Savings Program provided under
3 this section; and

4 “(ii) are provided the opportunity to
5 opt-in to the expedited process described in
6 this subsection by requesting that the
7 Commissioner of Social Security screen the
8 individual involved for eligibility for the
9 Medicare Savings Program through a re-
10 quest to the Secretary of the Treasury
11 under section 6103(l)(21) of the Internal
12 Revenue Code of 1986.

13 “(C) TRANSITION FOR CURRENTLY ELIGI-
14 BLE INDIVIDUALS.—In the case of any Medi-
15 care Savings Program eligible individual to
16 which subparagraph (B) did not apply at the
17 time of such individual’s enrollment, the Sec-
18 retary shall, not later than 60 days after the
19 date of the implementation of subparagraph
20 (B), request that the Commissioner of Social
21 Security screen such individual for eligibility for
22 the Medicare Savings Program provided under
23 this section through a request to the Secretary
24 of the Treasury under section 6103(l)(21) of
25 the Internal Revenue Code of 1986.

1 “(2) NOTIFICATION OF POTENTIALLY ELIGIBLE
2 INDIVIDUALS.—Under such process, in the case of
3 each individual identified under paragraph (1) who
4 has not otherwise applied for, or been determined el-
5 igible for, benefits under the Medicare Savings Pro-
6 gram (or who has applied for and been determined
7 ineligible for such benefits based only on standards
8 in effect before January 1, 2008), the Secretary
9 shall send them a letter (using basic, uncomplicated
10 language) containing the following:

11 “(A) ELIGIBILITY.—A statement that,
12 based on the information obtained under proc-
13 ess under this section, the individual is likely el-
14 igible for benefits under the Medicare Savings
15 Program.

16 “(B) AMOUNT OF ASSISTANCE.—A de-
17 scription of the amount of assistance under
18 such program for which the individual would
19 likely be eligible based on such information.

20 “(C) ATTESTATION.—A one-page applica-
21 tion form that provides for a signed attestation,
22 under penalty of law, as to the amount of in-
23 come and assets of the individual and con-
24 stitutes an application for the benefits under
25 the Medicare Savings Program. Such form—

1 “(i) shall not require the submittal of
2 additional documentation regarding income
3 or assets; and

4 “(ii) shall allow for the specification
5 of a language (other than English) that is
6 preferred by the individual for subsequent
7 communications with respect to the indi-
8 vidual under this title and title XIX.

9 “(D) INFORMATION ON OUTREACH
10 GROUPS.—Information on how the individual
11 may contact the a State outreach effort or
12 other groups that receive grants from the Sec-
13 retary to conduct outreach to individuals to re-
14 ceive benefits under the Medicare Savings Pro-
15 gram.

16 “(3) FOLLOW-UP COMMUNICATIONS.—If the in-
17 dividual does not respond to the letter described in
18 paragraph (2) by completing an attestation de-
19 scribed in paragraph (2)(C) or declining to do so,
20 the Secretary shall make additional attempts to con-
21 tact the individual to obtain such an affirmative re-
22 sponse.

23 “(4) HOLD-HARMLESS.—Under such process, if
24 an individual in good faith and in the absence of
25 fraud executes an attestation described in paragraph

1 (2)(C) and is provided benefits under the Medicare
2 Savings Program on the basis of such attestation, if
3 the individual is subsequently found not eligible for
4 such benefits, there shall be no recovery made
5 against the individual because of such benefits im-
6 properly paid.

7 “(5) USE OF PREFERRED LANGUAGE IN SUBSE-
8 QUENT COMMUNICATIONS.—In the case an attesta-
9 tion described in paragraph (2)(C) is completed and
10 in which a language other than English is specified
11 under clause (ii) of such paragraph, the Secretary
12 shall provide that subsequent communications to the
13 individual under this subsection shall be in such lan-
14 guage.

15 “(6) CONSTRUCTION.—Nothing in this sub-
16 section shall be construed as precluding the Sec-
17 retary from taking additional outreach efforts to en-
18 roll eligible individuals under the Medicare Savings
19 Program.

20 “(f) ELECTRONIC COMMUNICATION BETWEEN SO-
21 CIAL SECURITY AND STATE MEDICAID AGENCIES AND
22 THE SECRETARY.—

23 “(1) NOTICE BY SOCIAL SECURITY TO SEC-
24 RETARY AND STATE MEDICAID AGENCIES.—In the
25 case of a determination of eligibility of an individual

1 under section 1860D–14(a)(3)(B)(i) by the Commis-
2 sioner of Social Security, the Commissioner shall
3 provide for notice, preferably in electronic form, to
4 the Secretary and to State medicaid agency under
5 title XIX of such determination for purposes of ena-
6 bling the individual to automatically qualify for ben-
7 efits under the Medicare Savings Program under
8 such title through the operation of section
9 1905(p)(8).

10 “(2) NOTICE BY STATES TO SECRETARY.—In
11 the case that the State determines that an individual
12 is a qualified medicare beneficiary or a specified low-
13 income medicare beneficiary under title XIX, the
14 State shall provide for notice, preferably in elec-
15 tronic form, to the Secretary of such determination
16 for purposes of enabling the individual to automati-
17 cally qualify for low-income subsidies under section
18 1860D–14 through the operation of section
19 1905(a)(3)(G).

20 “(3) DEADLINE.—Each State (as defined for
21 purposes of title XIX) and the Secretary shall estab-
22 lish the notification process described in this sub-
23 section not later than 1 year after the date of the
24 enactment of this section.”.

1 (2) DISCLOSURE OF RETURN INFORMATION
2 FOR PURPOSES OF SCREENING INDIVIDUALS FOR
3 ELIGIBILITY FOR BENEFITS UNDER THE MEDICARE
4 SAVINGS PROGRAM.—

5 (A) IN GENERAL.—Subsection (l) of sec-
6 tion 6103 of the Internal Revenue Code of 1986
7 is amended by adding at the end the following
8 new paragraph:

9 “(21) DISCLOSURE OF RETURN INFORMATION
10 FOR PURPOSES OF PROVIDING BENEFITS UNDER
11 THE MEDICARE SAVINGS PROGRAM.—

12 “(A) RETURN INFORMATION FROM INTER-
13 NAL REVENUE SERVICE TO SOCIAL SECURITY
14 ADMINISTRATION.—The Secretary, upon writ-
15 ten request from the Commissioner of Social
16 Security under section 1809(e)(1)(A) of the So-
17 cial Security Act, shall disclose to the Commis-
18 sioner with respect to any taxpayer identified by
19 the Commissioner—

20 “(i)(I) whether the adjusted gross in-
21 come, as modified in accordance with spec-
22 ifications of the Secretary of Health and
23 Human Services for purposes of carrying
24 out such section, of such taxpayer and, if
25 applicable, such taxpayer’s spouse, for the

1 applicable year, exceeds the amounts speci-
2 fied by the Secretary of Health and
3 Human Services in order to apply the 135
4 and 150 percent poverty lines under sec-
5 tion 1905(p) and section
6 1902(a)(10)(E)(ii) of such Act;

7 “(II) the adjusted gross income (as
8 determined under subclause (I)), in the
9 case of a taxpayer with respect to which
10 such adjusted gross income exceeds the
11 amount so specified for applying the 135
12 percent poverty line and does not exceed
13 the amount so specified for applying the
14 150 percent poverty line;

15 “(III) whether the return was a joint
16 return for the applicable year; and

17 “(IV) the applicable year; or

18 “(ii) if applicable, the fact that there
19 is no return filed for such taxpayer for the
20 applicable year.

21 “(B) DEFINITION OF APPLICABLE YEAR.—

22 For the purposes of this paragraph, the term
23 ‘applicable year’ means the most recent taxable
24 year for which information is available in the
25 Internal Revenue Service’s taxpayer data infor-

1 mation systems, or, if there is no return filed
2 for such taxpayer for such year, the prior tax-
3 able year.

4 “(C) RESTRICTION ON INDIVIDUALS FOR
5 WHOM DISCLOSURE IS REQUESTED.—The Com-
6 missioner of Social Security shall only request
7 information under this paragraph with respect
8 to individuals who have requested that such re-
9 quest be made under section 1809(e) of the So-
10 cial Security Act.

11 “(D) RETURN INFORMATION FROM SOCIAL
12 SECURITY ADMINISTRATION TO DEPARTMENT
13 OF HEALTH AND HUMAN SERVICES.—The Com-
14 missioner of Social Security shall, upon written
15 request from the Secretary of Health and
16 Human Services, disclose to the Secretary of
17 Health and Human Services the information
18 described in clauses (i) and (ii) of subparagraph
19 (A).

20 “(E) PERMISSIVE DISCLOSURE TO OFFI-
21 CERS, EMPLOYEES, AND CONTRACTORS.—The
22 information described in clauses (i) and (ii) of
23 subparagraph (A) may be disclosed among offi-
24 cers, employees, and contractors of the Social
25 Security Administration and the Department of

1 Health and Human Services for the purposes
2 described in subparagraph (F).

3 “(F) RESTRICTION ON USE OF DISCLOSED
4 INFORMATION.—Return information disclosed
5 under this paragraph may be used only for the
6 purposes of identifying eligible individuals for,
7 and administering—

8 “(i) low-income subsidies under sec-
9 tion 1860D–14 of the Social Security Act;
10 and

11 “(ii) the Medicare Savings Program
12 implemented under clauses (i) and (ii) of
13 section 1902(a)(10)(E) of such Act.”.

14 (B) CONFIDENTIALITY.—Paragraph (3) of
15 section 6103(a) of such Code is amended by
16 striking “or (20)” and inserting “(20), or
17 (21)”.

18 (C) PROCEDURES AND RECORD KEEPING
19 RELATED TO DISCLOSURES.—Paragraph (4) of
20 section 6103(p) of such Code is amended by
21 striking “or (20)” each place it appears and in-
22 serting “(20), or (21)”.

23 (D) UNAUTHORIZED DISCLOSURE OR IN-
24 SPECTION.—Paragraph (2) of section 7213(a)

1 of such Code is amended by striking “or (20)”
 2 and inserting “(20), or (21)”.

3 (b) TWO-WAY DEEMING BETWEEN MEDICARE SAV-
 4 INGS PROGRAM AND LOW-INCOME SUBSIDY PROGRAM.—

5 (1) MEDICARE SAVINGS PROGRAM.—Section
 6 1905(p) of the Social Security Act (42 U.S.C.
 7 1396d(p)), as amended by sections 4(a) and 5(a), is
 8 amended—

9 (A) by redesignating paragraph (8) as
 10 paragraph (9); and

11 (B) by inserting after paragraph (7) the
 12 following new paragraph:

13 “(8) An individual who has been determined eligible
 14 for premium and cost-sharing subsidies under—

15 “(A) section 1860D–14(a)(1) is deemed, for
 16 purposes of this title and without the need to file
 17 any additional application, to be a qualified medicare
 18 beneficiary for purposes of this title; or

19 “(B) section 1860D–14(a)(2) is deemed, for
 20 purposes of this title and without the need to file
 21 any additional application, to qualify for medical as-
 22 sistance as a specified low-income medicare bene-
 23 ficiary (described in section 1902(a)(10)(E)(iii)).”.

24 (2) LOW-INCOME SUBSIDY PROGRAM.—Section
 25 1860D–14(a)(3) of such Act (42 U.S.C. 1395w–

1 104(a)(3)) is amended by adding at the end the fol-
2 lowing new subparagraph:

3 “(G) DEEMED TREATMENT FOR QUALI-
4 FIED MEDICARE BENEFICIARIES AND SPECI-
5 FIED LOW-INCOME MEDICARE BENE-
6 FICIARIES.—

7 “(i) QMBS ELIGIBLE FOR FULL SUB-
8 SIDY.—A part D eligible individual who
9 has been determined for purposes of title
10 XIX to be a qualified medicare beneficiary
11 is deemed, for purposes of this part and
12 without the need to file any additional ap-
13 plication, to be a subsidy eligible individual
14 described in paragraph (1).

15 “(ii) SLMBBS ELIGIBLE FOR PARTIAL
16 SUBSIDY.—A part D eligible individual
17 who has been determined to be a specified
18 low-income medicare beneficiary (as de-
19 fined in section 1905(p)(1)) and who is not
20 described in paragraph (1) is deemed, for
21 purposes of this part and without the need
22 to file any additional application, to be a
23 subsidy eligible individual who is not de-
24 scribed in paragraph (1).”.

1 (3) EFFECTIVE DATE.—The amendments made
2 by this subsection shall apply to eligibility for
3 months beginning on or after January 2008.

4 (c) IMPROVEMENTS IN ELECTRONIC COMMUNICA-
5 TION BETWEEN SOCIAL SECURITY, STATE MEDICAID
6 AGENCIES, AND THE SECRETARY OF HEALTH AND
7 HUMAN SERVICES.—

8 (1) IN GENERAL.—Not later than two years
9 after the date of the enactment of this Act, the
10 Commissioner of Social Security, the Secretary of
11 Health and Human Services, and the directors of
12 State Medicaid agencies shall implement improve-
13 ments to the electronic data transfer system by
14 which they communicate directly and electronically
15 with each other with respect to individuals who have
16 enrolled for benefits under any part of the Medicare
17 Savings Program in order to ensure that each of
18 them has exactly the same list of beneficiaries who
19 are signed up for the Medicare Savings Program.

20 (2) INCREASED ADMINISTRATIVE MATCH.—In
21 order to implement paragraph (1)—

22 (A) the Medicaid administrative match
23 under section 1903(a)(7) of the Social Security
24 Act shall be increased to 75 percent with re-

1 spect to expenditures made in carrying out such
2 paragraph; and

3 (B) there is appropriated to the Commis-
4 sioner of Social Security and the Secretary of
5 Health and Human Services, from any amounts
6 in the Treasury not otherwise appropriated,
7 \$2,000,000 each for each of fiscal years 2008
8 and 2009 to implement paragraph (1).

9 (3) USE OF SYSTEM.—After the implementation
10 of the improvements to the electronic data transfer
11 system under paragraph (1), the Commissioner of
12 Social Security, State Medicaid agencies, and the
13 Secretary of Health and Human Services shall pri-
14 marily use this system for the Commissioner and the
15 Secretary to inform the State Medicaid agencies to
16 enroll a beneficiary for the Medicare Savings Pro-
17 gram.

18 (d) IMPROVED COORDINATION WITH STATE, LOCAL,
19 AND OTHER PARTNERS.—

20 (1) STATE GRANTS.—

21 (A) IN GENERAL.—The Secretary of
22 Health and Human Services shall enter into
23 contracts with States (as defined for purposes
24 of title XIX of the Social Security Act (42
25 U.S.C. 1396 et seq.) to provide funds to States

to use information identified under subsection (c), and other appropriate information, in order to do ex parte determinations or utilize other methods for identifying and enrolling individuals who are potentially—

(i) eligible for benefits under the Medicare Savings Program (under sections 1905(p) of the Social Security Act, 42 U.S.C. 1396d(p)); or

(ii) entitled to a premium or cost-sharing subsidy under section 1860D–14 of such Act (42 U.S.C. 1395w–114).

(B) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to the Secretary of Health and Human Services for the purpose of making contracts under this paragraph.

(2) FUNDING OF STATE HEALTH INSURANCE COUNSELING AND SIMILAR PROGRAMS.—

(A) AUTHORIZATION OF APPROPRIATIONS.—In addition to any other funds authorized to be appropriated, there are authorized to be appropriated \$3,000,000 for each of cal-

1 endar years 2008 through 2012 to carry out ac-
2 tivities described in subparagraph (B).

3 (B) ACTIVITIES DESCRIBED.—The activi-
4 ties described in this subparagraph are the fol-
5 lowing:

6 (i) Activities under section 4360 of
7 the Omnibus Budget Reconciliation Act of
8 1990 for the purpose of outreach to low-in-
9 come Medicare beneficiaries to assist in ap-
10 plying for and obtaining benefits under the
11 Medicare Savings Program (under title
12 XIX of the Social Security Act) and the
13 low-income subsidy program under section
14 1860D–14 of such Act.

15 (ii) Activities of the National Center
16 on Senior Benefits Outreach and Enroll-
17 ment (as described in section
18 202(a)(20)(B) of the Older Americans Act
19 of 1965 (42 U.S.C. 3012(a)(20)(B)).

20 (iii) Similar activities carried out by
21 other qualified agencies designated by the
22 Secretary of Health and Human Services.

1 **SEC. 9. TREATMENT OF QUALIFIED MEDICARE BENE-**
 2 **FICIARIES, SPECIFIED LOW-INCOME MEDI-**
 3 **CARE BENEFICIARIES, AND OTHER DUAL ELI-**
 4 **GIBLES AS MEDICARE BENEFICIARIES.**

5 (a) IN GENERAL.—Section 1862 of the Social Secu-
 6 rity Act (42 U.S.C. 1395y) is amended by adding at the
 7 end the following new subsection:

8 “(n) TREATMENT OF QUALIFIED MEDICARE BENE-
 9 FICIARIES (QMBs), SPECIFIED LOW-INCOME MEDICARE
 10 BENEFICIARIES (SLMBs), AND OTHER DUAL ELIGI-
 11 BLES.—Nothing in this title shall be construed as author-
 12 izing a provider of services or supplier to discriminate
 13 (through a private contractual arrangement or otherwise)
 14 against an individual who is otherwise entitled to services
 15 under this title on the basis that the individual is a quali-
 16 fied medicare beneficiary (as defined in section
 17 1905(p)(1)), a specified low-income medicare beneficiary,
 18 or is otherwise eligible for medical assistance for medicare
 19 cost-sharing or other benefits under title XIX.”.

20 (b) EFFECTIVE DATE.—The amendment made by
 21 subsection (a) shall apply to items and services furnished
 22 on or after the date of the enactment of this Act.

1 **SEC. 10. MEDICAID TREATMENT OF CERTAIN MEDICARE**
2 **PROVIDERS.**

3 (a) IN GENERAL.—Section 1902(n) of the Social Se-
4 curity Act (42 U.S.C. 1396a(n)) is amended by adding
5 at the end the following new paragraph:

6 “(4) A State plan shall not deny a claim from
7 a provider or supplier with respect to medicare cost-
8 sharing described in subparagraph (B), (C), or (D)
9 of section 1905(p)(3) for an item or service which is
10 eligible for payment under title XVIII on the basis
11 that the provider or supplier does not have a pro-
12 vider agreement in effect under this title or does not
13 otherwise serve all individuals entitled to medical as-
14 sistance under this title.”.

15 (b) EFFECTIVE DATE.—The amendment made by
16 subsection (a) shall apply to items and services furnished
17 on or after the date of the enactment of this Act.

18 **SEC. 11. MONITORING AND ENFORCEMENT OF LIMITATION**
19 **ON BENEFICIARY LIABILITY.**

20 Section 1902(n) of the Social Security Act (42 U.S.C.
21 1396b(n)), as amended by section 9(a), is further amend-
22 ed by adding at the end the following new paragraph:

23 “(5)(A) The Inspector General of the Depart-
24 ment of Health and Human Services shall examine,
25 not later than one year after the date of the enact-
26 ment of this paragraph and every three years there-

1 after, whether providers have attempted to make
 2 qualified medicare beneficiaries liable for
 3 deductibles, coinsurance, and co-payments in viola-
 4 tion of paragraph (3)(B). The Inspector General
 5 shall submit to the Secretary a report on such exam-
 6 ination and a finding as to whether qualified medi-
 7 care beneficiaries have been held liable in violation
 8 of such paragraph.

9 “(B) If a report under subparagraph (A) in-
 10 cludes a finding that qualified medicare beneficiaries
 11 have been held liable in violation of such paragraph,
 12 not later than 60 days after the date of receiving
 13 such report the Secretary shall submit to Congress
 14 a report that includes a plan of action on how to en-
 15 force provisions of such paragraph.”.

16 **SEC. 12. STATE PROVISION OF MEDICAL ASSISTANCE TO**
 17 **DUAL ELIGIBLES IN MA PLANS.**

18 (a) IN GENERAL.—Section 1902(n) of the Social Se-
 19 curity Act (42 U.S.C. 1396b(n)), as amended by section
 20 10, is further amended by adding at the end the following
 21 new paragraph:

22 “(6)(A) Each State shall—

23 “(i) identify those individuals who are eli-
 24 gible for medical assistance for medicare cost-
 25 sharing and who are enrolled with a Medicare

1 Advantage plan under part C of title XVIII;
2 and

3 “(ii) for the individuals so identified, pro-
4 vide for payment of medical assistance for the
5 medicare cost-sharing (including cost-sharing
6 under a Medicare Advantage plan) to which
7 they are entitled.

8 “(B)(i) The Inspector General of the Depart-
9 ment of Health and Human Services shall examine,
10 not later than one year after the date of the enact-
11 ment of this paragraph and every three years there-
12 after, whether States are providing for medical as-
13 sistance for medicare cost-sharing for individuals en-
14 rolled in Medicare Advantage plans in accordance
15 with this title. The Inspector General shall submit to
16 the Secretary a report on such examination and a
17 finding as to whether States are failing to provide
18 such medical assistance.

19 “(ii) If a report under clause (i) includes a find-
20 ing that States are failing to provide such medical
21 assistance, not later than 60 days after the date of
22 receiving such report the Secretary shall submit to
23 Congress a report that includes a plan of action on
24 how to enforce such requirement.”.

25 (b) EFFECTIVE DATE.—

1 (1) Except as provided in paragraph (2), the
2 amendment made by subsection (a) shall apply to
3 calendar quarters beginning on or after the date of
4 the enactment of this Act.

5 (2) In the case of a State plan for medical as-
6 sistance under title XIX of the Social Security Act
7 which the Secretary of Health and Human Services
8 determines requires State legislation (other than leg-
9 islation appropriating funds) in order for the plan to
10 meet the additional requirements imposed by the
11 amendment made by subsection (a), the State plan
12 shall not be regarded as failing to comply with the
13 requirements of such title solely on the basis of its
14 failure to meet these additional requirements before
15 the first day of the first calendar quarter beginning
16 after the close of the first regular session of the
17 State legislature that begins after the date of the en-
18 actment of this Act. For purposes of the previous
19 sentence, in the case of a State that has a 2-year
20 legislative session, each year of such session shall be
21 deemed to be a separate regular session of the State
22 legislature.

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